

Federal Housing Finance Board

§975.7

thereto, of drafts, checks, and other negotiable and nonnegotiable items and instruments by Banks. Settlement, collection, and processing include the following activities as defined in this part: Account processing, data processing, data communication, issuance of forms, transportation of items, and storage services.

(b) Any activity authorized by section 11(e)(2) of the Act (12 U.S.C. 1431(e)(2)) shall be governed by the provisions of this part.

[45 FR 64164, Sept. 5, 1989, as amended at 65 FR 8266, Feb. 18, 2000. Redesignated and amended at 67 FR 12854, Mar. 20, 2002]

§975.3 General provisions.

The Banks are authorized to:

(a) Engage in, be agents or intermediaries for, or otherwise participate or assist in, the processing, collection, and settlement of checks, drafts, or any other negotiable or nonnegotiable items and instruments of payment drawn on eligible institutions or Bank members; and

(b) Be drawees of checks, drafts, and other negotiable and nonnegotiable items and instruments issued by eligible institutions or Bank members.

[67 FR 12854, Mar. 20, 2002]

§975.4 Incidental powers.

In connection with the collection, processing, and settlement of items and instruments drawn on or issued by eligible institutions or Bank members, a Bank may also perform the following services:

(a) Statement packaging; and

(b) Any other activity that the Finance Board shall, from time to time, after notice and comment, find necessary for the exercise of the authority of this part.

[45 FR 64164, Sept. 29, 1980, as amended at 55 FR 2231, Jan. 23, 1990; 65 FR 8266, Feb. 18, 2000; 67 FR 12854, Mar. 20, 2002]

§975.5 Operations.

A Bank may utilize the services of a Federal Reserve Bank and may become a member or use the services of a clearinghouse, public or private financial institution, or agency in the exercise of

any powers or functions under this part.

[45 FR 64164, Sept. 5, 1989, as amended at 65 FR 8266, Feb. 18, 2000]

§975.6 Pricing of services.

(a) *General.* Banks shall charge for services authorized in this part in a manner consistent with the principles of section 11(A)(c) of the Federal Reserve Act (12 U.S.C. 248a(c)), as interpreted by this part.

(b) *Payment instrument account services.* (1) In determining the fees for services provided under this part, a Bank must take into account all direct and indirect costs of providing the services.

(2) Prices must reflect the imputed rate of return that would have been earned and the taxes that would have been paid if the Bank were a private corporation, by using a cost of capital adjustment factor applied to those assets used in providing services authorized under this part.

(c) *Review and publication.* The Finance Board shall from time to time and at least annually review the cost of capital adjustment factor and review prices for services authorized in this part for compliance with the principles set forth in paragraphs (a) and (b) of this section. All prices for Bank services authorized in this part will be published annually in the FEDERAL REGISTER, except those for fees charged to an applicant for draws made by a beneficiary under a standby letter of credit.

(12 U.S.C. 1431(e); Reorg. Plan No. 3 of 1947, 12 FR 4981, 3 CFR, 1943-48 Comp., p. 1071)

[45 FR 64164, Sept. 29, 1980, as amended at 46 FR 38900, July 30, 1981. Redesignated at 54 FR 36759, Sept. 5, 1989, and amended at 58 FR 59936, Nov. 12, 1993; 60 FR 57682, Nov. 17, 1995; 63 FR 65700, Nov. 30, 1998; 65 FR 8266, Feb. 18, 2000]

§975.7 Rights, powers, responsibilities, duties, and liabilities.

To the extent it is not inconsistent with other provisions of this part, the Uniform Commercial Code governs the rights, powers, responsibilities, duties, and liabilities of Banks in the exercise of their authority under this part. For purposes of this paragraph, the term "bank," as used in the Uniform Commercial Code and clearinghouse rules,

includes Banks and their members and eligible institutions.

[45 FR 64164, Sept. 5, 1989, as amended at 65 FR 8266, Feb. 18, 2000]

PART 977—MISCELLANEOUS BANK AUTHORITIES

Sec.

977.1 Definitions. [Reserved]

977.2 Transfer of funds between Banks.

977.3 Trustee powers.

AUTHORITY: 12 U.S.C. 1422a(a)(3), 1422b(a)(1), 1431(a), 1431(e), 1432(a).

SOURCE: 65 FR 8266, Feb. 18, 2000, unless otherwise noted.

§ 977.1 Definitions. [Reserved]

§ 977.2 Transfer of funds between Banks.

Inter-Bank borrowing shall be through unsecured deposits bearing interest at rates negotiated between Banks.

§ 977.3 Trustee powers.

A Bank may act, and make reasonable charges for doing so, as trustee of any trust affecting the business of any member or any institution or group applying for membership or for insurance of accounts, or any group applying for a charter for a Federal Savings Association, if:

(a) Such trust is created or arises for the benefit of the institution or its depositors, investors, or borrowers, or for the promotion of sound and economical home financing; and

(b) In the case of applicants, the Bank ceases to act as trustee if the application is withdrawn or rejected.

PART 978—BANK REQUESTS FOR INFORMATION

Sec.

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978.3 Request for confidential information.

978.4 Form of request.

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AUTHORITY: 12 U.S.C. 1422b(a), 1442.

SOURCE: 65 FR 8266, Feb. 18, 2000, unless otherwise noted.

§ 978.1 Definitions.

As used in this part:

Confidential information means any record, data, or report, including but not limited to examination reports, or any part thereof, that is non-public, privileged or otherwise not intended for public disclosure which is in the possession or control of a financial regulatory agency and which contains information regarding members of a Bank or financial institutions with which a Bank has had or contemplates having transactions under the Act.

Financial regulatory agency means any of the following:

- (1) The Department of the Treasury, including either the OCC or the OTS;
- (2) The FRB;
- (3) The NCUA; or
- (4) The FDIC.

Third party means any person or entity except a director, officer, employee or agent of either:

- (1) A Bank in possession of any particular confidential information; or
- (2) The financial regulatory agency that supplied the particular confidential information to such Bank.

[65 FR 8266, Feb. 18, 2000, as amended at 67 FR 12854, Mar. 20, 2002]

§ 978.2 Scope.

This part governs the procedure by which a Bank will request and receive confidential information pursuant to section 22 of the Act (12 U.S.C. 1442).

[65 FR 8266, Feb. 18, 2000, as amended at 67 FR 12854, Mar. 20, 2002]

§ 978.3 Request for confidential information.

A Bank shall make all requests for confidential information to a financial regulatory agency, or to a regional office of such agency if mutually agreeable, in accordance with the procedures contained in this part as well as any procedures of general applicability for requesting information promulgated by such financial regulatory agency. This part and its procedures may be supplemented by a confidentiality agreement between a Bank and a financial regulatory agency.